

Mailed 5/24/2002

Decision 02-05-046 May 16, 2002

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF
CALIFORNIA**

Order Instituting Rulemaking to Examine the
Commission's Future Energy Efficiency Policies,
Administration and Programs.

Rulemaking 01-08-028
(Filed August 23, 2001)

**Program Implementation Plan and Budget
Statewide Energy Efficiency Marketing and Outreach Program**

**California Urban Water Conservation Council
Pre-Rinse Spray Head Installation for the Food Service Industry**

May 24, 2002

Docket Clerk
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

RE: Program Implementation Plan (R.01-08-028)

Please find attached the Program Implementation Plan and budget for the Pre-Rinse Spray Head Installation for the Food Service Industry being implemented by the California Urban Water Conservation Council.

Questions regarding this document may be directed to me at (916) 552-5885.

Thank you.

Respectfully,



Mary Ann Dickinson
Executive Director



455 Capitol Mall
Suite 703
Sacramento
California 95814

PHONE
916/552-5885
FAX
916/552-5877

WWW.CUWCC.ORG

Program Implementation Plan
Public Utilities Commission Decision 02-05-046, Rulemaking 01-08-028

1. Program Title: *Pre-Rinse Spray Head Installation for the Food Service Industry*

2. Plans to Implement Decision's Changes to Original Proposal

2.1 Program Description

This direct-install incentive-based program replaces high water use pre-rinse spray valves with more efficient models at food service facilities: restaurants, cafeterias, institutional kitchens and food preparation companies. There will be no cost to the participants and water utilities throughout the state will contribute a portion of the funds for program implementation. This program targets hard-to-reach customers in both urban and rural settings.

2.2 Program Modifications

To ensure energy savings and encourage widespread use of the program, only spray valves using hot water may be replaced and no more than three (3) stores under the same ownership may participate in the program.

The new program design will incorporate these changes into the customer requirements and enrollment aspects of the Program. Spray valves will be tested prior to replacement to ensure they use hot water. Also customer participation will be tracked in the Program database by the owner's name. Any one owner will be limited to three stores participating in the Program. The list from which customer's are marketed will denote previous participation and multiple store ownership. All program materials and training will state these criteria.

3. Revising Energy and Peak Demand Savings Targets, as well as Per-Unit Energy Savings and Unit –County Projections, as applicable

No changes were made to the energy savings, peak demand savings, per-unit energy savings, or unit-county projections.

4. Revised Cost-Effectiveness Calculations, as applicable

No changes were made to the cost-effectiveness calculations.

5. For Information-Only Programs With No Energy Savings Targets, Other Objective Measures for Evaluation Progress.

This section does not apply to the Pre-rinse Spray Head Installation Program.

6. Hard-to-Reach Targets and Goals. Where This Decision Does Not Specify Such Targets and Goals, the Program Implementer Should Define Them in Its Plan. Where This Decision Specifies Such Target, They Should Appear in the Plan.

All customers targeted under this program; restaurants, cafeterias, institutional kitchens and food preparation companies are considered hard-to-reach. The performance goals are defined under item 8 or this document.

7. Budget

No changes were made to the Program budget as previously submitted. Budget line items were consistent with the format called for in the Policy Manual.

The overhead cost category includes office occupancy costs, office supplies, equipment leases, communications costs, and related costs. The figures included in the Program budget were based upon historical costs for these items.

The Program budget includes no profit for the Program sponsor, the California Urban Water Conservation Council.

8. Defined Quarterly Performance Targets or Other Performance Measures and Deliverables to be Met in Order to Qualify for Quarterly Progress Payments. These Should be Very Specific and Reflect Concrete Action – Meetings Alone Do Not Qualify as Concrete Action.

<u><i>Quarter</i></u>	<u><i>Performance Goal</i></u>
Q2 – 2002	<ul style="list-style-type: none">▪ Implementation Vendor Selected and Contract Authorized▪ Program Manager Hired
Q3 – 2002	<ul style="list-style-type: none">▪ Program Staff Hired and Trained▪ Product Specifications Completed▪ Product Vendor Selected and Purchased Order Established▪ Letters of Agreement Signed with Participating Water Agencies▪ Marketing Strategy and Calendar Completed▪ Operational Procedures, Controls and Standards Developed▪ Computer Tracking System Developed▪ Field Operations Begin August 1, 2002▪ 1,000 Spray Valves Installed by August 30, 2002
Q4 – 2002	<ul style="list-style-type: none">▪ 3,000 Spray Valves Installed by December 31, 2002
Q1 – 2003	<ul style="list-style-type: none">▪ 3,225 Spray Valves Installed by March 30, 2003
Q2 – 2003	<ul style="list-style-type: none">▪ 3,225 Spray Valves Installed by June 30, 2003
Q3 – 2003	<ul style="list-style-type: none">▪ 3,225 Spray Valves Installed by August 30, 2003
Q4 – 2003	<ul style="list-style-type: none">▪ 3,228 Spray Valves Installed by December 31, 2003

Described on the next several pages is the detailed start-up work plan.

ADMINISTRATIVE REQUIREMENTS	
PROGRAM REQUIREMENTS:	
<ul style="list-style-type: none"> ▪ Promptly negotiate a contract with the IOU ▪ Promptly negotiate Letters of Agreement with participating water agencies that clearly define roles, goals, timeline and reporting requirements ▪ Set up an accounts payable and receivable system that ensures all parties are paid in full and on time 	
STEP 1:	Negotiate Contract with Investor Owned Utility
STEP 2:	Finalize Participating Water Agencies, Replacement Goals and Preferred Method of Program Implementation
STEP 3:	Draft Agency Contracts or Letters of Agreement
STEP 4:	Set Up Accounts Payable System for Agencies and Vendors
STEP 5:	Set Up Accounts Receivable System for IOU Payments
	SubSteps
1.1	<ul style="list-style-type: none"> ▪ Review proposed IOU contract language, provide feedback to PUC/IOU and negotiate changes as necessary
1.2	<ul style="list-style-type: none"> ▪ Sign contract
2.1	<ul style="list-style-type: none"> ▪ Meet with participating water agencies (and subagencies), confirm participation, replacement goals and preferred method of implementation (utility installs, subcontractor installs, etc.)
2.2	<ul style="list-style-type: none"> ▪ Document and communicate participants and goals
2.3	<ul style="list-style-type: none"> ▪ Meet with water agency subcontractors as necessary
2.4	<ul style="list-style-type: none"> ▪ Document and communicate roles of CUWCC, participating water agencies and agency subcontractors
3.1	<ul style="list-style-type: none"> ▪ Draft agency Letters of Agreement (LOA) and provide to participating water agencies for feedback
3.2	<ul style="list-style-type: none"> ▪ Negotiate and make changes to LOA's as necessary
3.3	<ul style="list-style-type: none"> ▪ Sign LOA's
4.1	<ul style="list-style-type: none"> ▪ Determine accounts payable (A/P) requirements
4.2	<ul style="list-style-type: none"> ▪ Draft A/P procedures and send to participating agencies (incorporate into training)
4.3	<ul style="list-style-type: none"> ▪ Modify CUWCC's current A/P software
5.1	<ul style="list-style-type: none"> ▪ Determine accounts receivable (A/R) requirements
5.2	<ul style="list-style-type: none"> ▪ Draft A/R procedures
5.3	<ul style="list-style-type: none"> ▪ Modify CUWCC current A/R software

MARKETING STRATEGY

PROGRAM REQUIREMENTS:

- Create marketing and sales strategy and program design that delivers the highest response for the lowest cost
- Program that equitably serves all participating agencies

STEP 1:	Create Marketing Plan to Overcome Barriers and Achieve Volume Goals
STEP 2:	Generate Marketing Scheduler and Production Planner
STEP 3:	Create Program Identity and Theme
STEP 4:	Generate Program Collaterals
STEP 5:	Create a Marketing Tracking System (Cost per Lead)
	SubSteps
1.1	▪ Thru interviews and research, analyze the Program's major marketplace barriers and motivators
1.2	▪ Brainstorm solutions for barriers and select best customer motivation techniques (to be incorporated into materials)
1.4	▪ Determine need for public service announcements (PSAs), newspaper ads, e-advertising, etc.
1.5	▪ Project response rates and costs for each strategy
1.6	▪ Combine marketing strategies with door-to-door canvassing methodology for final marketing and sales plan
2.1	▪ Create calendar for outreach campaign(s)
2.2	▪ Create productivity milestones for each marketing and sales methodology
3.1	▪ Work with creative and graphic specialists to solicit multiple logo / theme options
3.2	▪ Select best logo/ theme
3.3	▪ Create Program tag line
3.4	▪ Create final artwork
4.1	▪ Identify required marketing pieces and quantities
4.2	▪ Create text and layout design for each marketing piece
4.3	▪ Determine size, paper specifications and printer instructions for each piece
4.4	▪ Solicit competitive price quotes for printing
4.5	▪ Select printing vendor(s)
4.6	▪ Determine print schedule
4.7	▪ Arrange distribution of materials to each participating water agency
5.1	▪ Design marketing campaign tracking system for 1) each marketing piece 2) each sales methodology and 3) cost to produce/perform each
5.2	▪ Design computer systems requirements that incorporate marketing and sales methodology tracking

DETAILED OPERATIONAL PROCESSES	
PROGRAM REQUIREMENTS:	
<ul style="list-style-type: none"> ▪ Clear understanding of work scope for Program staff, consultants, participating water agencies and agency contractors ▪ Produces quality operations by providing detailed Program blueprint 	
STEP 1:	Create Basic Program Flow
STEP 2:	Design Organizational Structure
STEP 3:	Define Roles and Responsibilities of Water Agencies, Agency Contractors, Consultants, and CUWCC Staff
STEP 4:	Create Processes for Customer Targeting, Customer Qualification, Marketing Outreach, Door-to-Door Solicitation, Product Installation, Data Collection, Data Entry and Reporting
	SubSteps
1.1	<ul style="list-style-type: none"> ▪ Generate detailed flow chart for basic program operations
2.1	<ul style="list-style-type: none"> ▪ Finalize required positions vs. consultants or contractors for CUWCC
2.2	<ul style="list-style-type: none"> ▪ Generate organizational chart visually depicting reporting structure
3.1	<ul style="list-style-type: none"> ▪ Create a matrix of roles and responsibilities for all personnel/organizations associated with the program
4.1	<ul style="list-style-type: none"> ▪ Generate detailed flow chart for: <ul style="list-style-type: none"> ○ Selecting customer targets and building target list ○ Sending the direct mail pieces ○ Daily door-to-door canvassing routine ○ Product installation ○ Potential technology identification ○ Data collection ○ Data entry ○ Weekly and monthly reporting ○ Monthly Invoicing ○ Inventory receiving, reconciliation and reporting
4.2	<ul style="list-style-type: none"> ▪ Draft written operational procedures for each operational task (listed in 4.1)
4.3	<ul style="list-style-type: none"> ▪ Generate detailed flow chart for non-standard operational processes including <ul style="list-style-type: none"> ○ No one available at customer site ○ Installation problems ○ Customer service issues ○ Customer phone requests for service
4.4	<ul style="list-style-type: none"> ▪ Draft written procedures for non-standard operational processes (listed in 4.3)

PRODUCT SPECIFICATIONS AND INVENTORY MANAGEMENT	
PROGRAM REQUIREMENTS:	
<ul style="list-style-type: none"> ▪ Create product specifications that ensure the highest caliber of product will be installed at the lowest possible costs ▪ Develop an inventory management system that ensures “just in time” deliveries and product availability while inventory loss 	
STEP 1:	Research Products and Manufacturers
STEP 2:	Work with Food Service Technology Center to Define Product Specifications
STEP 3:	Generate Request for Pricing and Send to Vendors
STEP 4:	Evaluate Vendor Submittals for Best Product and Price and Select Winning Vendors
STEP 5:	Produce Annual Delivery Schedule
STEP 6:	Create Inventory Management Processes and Procedures
STEP 7:	Develop Inventory Tracking Forms and Reports
	SubSteps
1.1	▪ In conjunction with Food Service Technology Center, research spray valve manufacturers/distributors and available products
1.2	▪ Build product vendor list
2.1	▪ In conjunction with Food Service Technology Center, define product specifications and ASTM test method
2.2	▪ Draft written product specifications and test method
3.1	▪ Generate request for pricing to include: delivery terms, product specs, product quality, return policy, etc.
3.2	▪ Send request for pricing to product vendor list
4.1	▪ Review and rank vendor submittals
4.2	▪ Select qualified vendor(s)
4.3	▪ Generate purchase orders for selected vendor(s)
5.1	▪ Produce delivery schedule based on water agency production estimates
5.2	▪ Order first shipment and schedule deliveries
6.1	<ul style="list-style-type: none"> ▪ Create detailed flow charts for inventory management including: <ul style="list-style-type: none"> ○ Receiving product, including damaged ○ Returning product ○ Reporting vendor/product issues ○ Transferring product if necessary ○ Periodic reconciliation ○ Security and storage requirements ○ Reporting
6.2	▪ Draft written procedures for inventory management processes (listed in 6.1)
6.3	▪ Design computer system requirements that incorporate inventory processes and reporting
7.1	▪ Draft program forms for receiving, transferring, and returning product
7.2	▪ Develop program reports for inventory reconciliation

CONTROLS AND STANDARDS

PROGRAM REQUIREMENTS:

- Create a program that eliminates the potential for fraud, ensures customer satisfaction, and provides comprehensive and meaningful data for Program evaluation and future follow-on actions
- Guarantee that the program will pass audit scrutiny

STEP 1:	Create Program Standards and Controls
STEP 2:	Integrate Standards and Controls with Operational Flows
STEP 3:	Incorporate Standards and Controls into Information Systems
STEP 4:	Create Audit Schedule
	SubSteps
1.1	<ul style="list-style-type: none"> ▪ Create standards and controls for <ul style="list-style-type: none"> ○ <i>Customer Service and Contact Management</i> ○ <i>Inventory Management</i> ○ <i>Installation Quality</i> ○ <i>Verification Inspections</i> ○ <i>Security and Confidentiality of Data</i> ○ <i>Fiduciary Processes (A/P, A/R)s</i> ○ <i>Reporting and Invoicing Accuracy and Schedule</i>
2.1	<ul style="list-style-type: none"> ▪ Create a master flowchart integrating operational processes with control checkpoints
3.1	<ul style="list-style-type: none"> ▪ Design computer system requirements that incorporate all standards and controls
4.1	<ul style="list-style-type: none"> ▪ Create calendar for audit events

INFORMATION SYSTEMS & REPORTING

PROGRAM REQUIREMENTS:

- **Ensure all stakeholders have access to the information they want, in their preferred/required format, when they need it**

STEP 1:	Design Information Systems Flow
STEP 2:	Define Data Collection Requirements
STEP 3:	Design Internet Strategy for Water Agency Data Entry and Access
STEP 4:	Define Reporting Requirements and Frequencies
STEP 5:	Define Data Transfer Requirements and Format
STEP 6:	Create Invoicing Format and Documentation Requirements
STEP 7:	Create Customer Satisfaction Survey and Reporting Process
SubSteps	
1.1	▪ Design information systems requirements for all facets of program operations
2.1	▪ Identify required data points
2.2	▪ Validate specification through a review by data engineering consultant
3.1	▪ Research internet technologies and cost
3.2	▪ Detail internet services, data access, and security protocols for water agencies
4.1	▪ Draft sample reports, communication protocols and frequencies <ul style="list-style-type: none"> ○ CUWCC ○ Participating Water Agencies
5.1	▪ Define data transfer requirements, format and frequencies <ul style="list-style-type: none"> ○ CUWCC ○ Participating Water Agencies
6.1	▪ Define invoicing documentation requirements, frequencies, and payment terms
7.1	▪ Create customer questionnaire to assess customer satisfaction
7.2	▪ Design customer selection process and survey reports

PROGRAM STAFFING AND OFFICE SET UP

PROGRAM REQUIREMENTS:

- Hire qualified personnel for the necessary open positions
- Set up office operations for CUWCC Program staff in a timely and efficient manner – meeting Program start date requirements

STEP 1:	Verify Available Office Space for CUWCC Program Staff
STEP 2:	Secure Office Furniture and Telephones for Program Staff
STEP 3:	Obtain Computer Hardware/Software for Program Staff
STEP 4:	Define Telephone Requirement and Acquire 800 Number for Program
STEP 5:	Draft Recruitment and Staffing Plan (consultants vs. full time staff)
STEP 6:	Recruit and Hire Program Staff
STEP 7:	Train Program Staff
	SubSteps
1.1	▪ Verify space availability in the CUWCC Sacramento office for Program employees
2.1	▪ Secure existing furniture or purchase new furniture for new employees
2.2	▪ Secure existing or purchase new telephone equipment and other office supplies/equipment for new employees
3.1	▪ Secure existing or purchase new computer hardware/software for new employees
4.1	▪ Define telephone requirements for program
4.2	▪ Acquire 800 line and other lines as necessary
5.1	▪ Identify roles to be handled by CUWCC staff vs. consultants
5.2	▪ Draft recruitment plan
6.1	▪ Recruit Program staff
6.2	▪ Extend written offers to candidates
6.3	▪ Complete all necessary new hire paperwork
7.1	▪ Train Program staff

AGENCY AND CUWCC STAFF TRAINING

PROGRAM REQUIREMENTS:

- All agency personnel, agency representatives and program staff are fully knowledgeable on the Program products, operational processes, marketing and sales techniques, installation requirements, inventory management procedures, and reporting requirements.

STEP 1:	Develop Training Curriculum for All Facets of Program
STEP 2:	Schedule Initial and On-going Training Sessions
STEP 3:	Prepare for Training Sessions
	SubSteps
1.1	▪ Develop training outline
1.2	▪ Research availability of industry experts and training specialist (including product manufacturers, agency specialists, etc.) to assist in training development and implementation
1.3	▪ Develop training curriculum
2.1	▪ Generate and publish a master schedule of training sessions to be conducted throughout California
3.1	▪ Secure training space for scheduled training sessions
3.2	▪ Create training materials (including overheads, computer test systems, displays, etc.)
3.3	▪ Purchase training supplies

MEASUREMENT AND VERIFICATION

PROGRAM REQUIREMENTS:

- Assure CPUC and IOUs that spray valve replacements are and remain cost-effective
- Verify that funds being expended for spray valve installations are, in fact, resulting in real installations and water/energy savings

STEP 1:	Develop & verify water/energy baseline & savings estimates
STEP 2:	Receive & record field installation reports
STEP 3:	Third-party verification of field installations
STEP 4:	Aggregate & report water & energy savings & peak energy demand savings
STEP 5:	Cost effectiveness evaluation & re-evaluation
STEP 6:	Program implementation feedback
	SubSteps
1.1	▪ Engage the FSTC and together develop a work scope for field verification of baseline energy & water use
1.2	▪ Select up to 8 installations in each food service category for field measurement
1.3	▪ Field measurements at selected installations: water temperatures, usage periods, flow rates, applications, volume through-put - "before" and "after" valve replacement
1.4	▪ Document and report field measurement findings
2.1	▪ Receive monthly installation reports from participating water agencies; enter data into master database
2.2	▪ Report installations to IOUs and CPUC per Program reporting requirements
3.1	▪ In conjunction with the participating water agencies, scope & document the installation verification process; develop RFPs as necessary to select third-party field verification firm(s)
3.2	▪ Solicit and select one or more third-party field verification firms; contract with selected firm(s)
3.3	▪ Initiate field verification process with random selection of sites to be inspected
3.4	▪ Field installation verification by selected firm(s); verification firm(s) report results to Program Administrator
3.5	▪ Analyze verification results and initiate Program corrective action and other changes as necessary
4.1	▪ Aggregate and report energy savings and peak demand savings to IOUs and CPUC per Program requirements
4.2	▪ Aggregate and report water savings to participating agencies
5.1	▪ Compute, evaluate, and reevaluate benefit-cost ratio and other Program factors as Program proceeds
6.1	▪ Provide Program feedback and technical advice to participating agencies as needed or requested; implement mid-course Program changes as required

9. Procedures for Responding to Consumer Questions and Complaints Regarding the Program and for Resolving Program/Performance Disputes with Customers.

Customer service complaints/concerns will be resolved or responded to with a plan of action within 24 hours. The CUWCC has formalized a 'Customer Action' process in which each staff person is trained; implementation and routine use of the process is mandatory in every field operations.

The foundation of the process is the 'Customer Action Form', a document that allows program staff to record standardized information from customers, documenting in detail the nature of the concern, which within the program office or field operation is accountable to respond, and any commitments made to the customer by the program employee. The Customer Action Form is immediately forwarded onto the appropriate program personnel, with a copy to the Program Manager for personal follow-up.

The CUWCC will provide customers with a toll-free telephone line to call for program information or to log a complaint. Customers will be able to reach program staff during business hours at the toll-free number. Program staff will be well trained and able to answer questions regarding the program. Customer's calling with a complaint or dispute will be tracked and the problem resolved using the 'Customer Action' process.

The Program office as well as the each field operation will regularly receive internal 'ratings' for the effectiveness with which they utilize the process. In addition we will survey customers via customer satisfaction surveys and regularly report the findings.

BILL	POLICY NUMBER	TC	PRODUCER NUMBER	AC	ACCOUNT NUMBER	AUDIT
D	PAS 39676953		02329662		M011202787-001-00001	NONE

BRANCH 4J ZURICH GROUP-SA

NEW BUSINESS EFF 02/03/2002

**ZURICH**

**PRECISION PORTFOLIO POLICY
COMMERCIAL GENERAL LIABILITY DECLARATIONS
PRECISION AMERICA
OFFICE PROGRAM**

This coverage part consists of this declarations form, the common policy conditions, and the coverage forms and endorsements indicated as applicable on the forms list.

COVERAGES AND LIMITS OF INSURANCE

Some of these coverages are sublimits or are subject to aggregate limits. Refer to your policy to determine how they apply.

GENERAL AGGREGATE	\$2,000,000
PRODUCTS AND COMPLETED OPERATIONS AGGREGATE	\$2,000,000
EACH OCCURRENCE	\$1,000,000
TENANTS LEGAL LIABILITY	\$1,000,000
MEDICAL EXPENSES - EACH PERSON	\$ 10,000
HIRED AND NON-OWNED AUTOMOBILE LIABILITY	\$1,000,000

COMMERCIAL GENERAL LIABILITY

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01/29/2002